

APPROVED 9-29-09

Tier I to LAGERS Sub-Committee

September 22, 2009 – 6:00 p.m.

2 East Conference Room, Busch Municipal Building

PRESENT: Peggy Kubicek – Chair, Ken Homan, Danny Hyde, Sheila Maerz, John Marion, Shawn Martin, Jim McCullough, Chad Munsey, Nancy Yendes

CITY STAFF: Sharon Smith

GUESTS: Jerry Fenstermaker

ABSENT:

Peggy Kubicek made opening remarks to the Sub-Committee and reviewed the mission statement. She said there are two basic tasks – to analyze the feasibility of the migration and to develop and deliver a report to the PF Pension Fund Citizens' Task Force. Ms. Kubicek stressed the importance of documenting the analysis process, the recommendations, and the rationale. This will be a more detailed, narrow focus than what was used with the Citizens' Task Force.

After self introductions from each member of the Sub-Committee, Jerry Fenstermaker was asked to make some remarks. He said all the recommendations to this point have been adopted by City Council. He stated he would like to have a written report from this Sub-Committee of their early reviews and findings, as well as general progress within 30-45 days if possible.

Ken Homan confirmed the City has now received the actuarial study from Milliman. He stated the study reflects a 73% plus (City and employee) contribution of payroll for the upcoming fiscal year.

Peggy Kubicek reviewed the Plan of Action she prepared and asked the group to please write down at least 3-4 questions or observations from each member and email to Peggy.

Nancy Yendes reviewed the Sunshine Law with the group. All email/written communications that are sent and received within the Sub-Committee need to be copied to Sharon Smith, who will file and track all correspondences and communications for the Sub-Committee. Nancy stated any meeting that consists of 2 or more members in a room where the subject this Sub-Committee is discussing is considered a meeting as interpreted

by the Attorney General's Office and is covered by the Sunshine Law. If this subject is not discussed, then there is no Sunshine Law violation.

The Sub-Committee would like to schedule Keith Hughes, LAGERS Executive Secretary, to come to the October 6 meeting if his schedule will allow. Sharon Smith will contact Mr. Hughes and confirm. The Sub-Committee will meet on September 29 to discuss questions to be presented in advance to Mr. Hughes.

Mr. Homan asked for clarification of the migration theory. Ms. Yendes stated it is a math issue as to what benefits will be covered- if you keep benefits as is, the current system would be a supplement for what LAGERS does not pay. Mr. Fenstermaker stated the City could try and have a new plan in place by legislative approval. Ms. Yendes stated she does not believe a new plan for Springfield could be approved through the legislation.

Mr. Homan said he understood LAGERS would not be interested in adding Police Fire employees to a plan because of the existing plan already in place. Ms. Yendes said based on a discussion she had with the Board Chairman of LAGERS, she believes they are open for discussion to accept pension system employees. Ms. Maerz recommends the Sub-Committee still listen to Mr. Hughes and see what the options are.

Copies were distributed of a Milliman report requested by Mr. Homan comparing Tier I and LAGERS features. After brief discussion, Ms. Maerz stated she had a more detailed spreadsheet that compares Tier I, Tier II and LAGERS. Ms. Smith will email that spreadsheet to the Sub-Committee for review as well, which Ms. Kubicek stated the group will reference for future use.

Ms. Kubicek thanked the Sub-Committee and meeting was adjourned at 7:40.